

Q1 2024 Home Price Expectations Survey - Special Topics Questions

Field Period: January 29, 2024 - February 9, 2024

Topic: Risk Assessment of Home Price Forecast

Which choice best applies to your long-term outlook for home values?

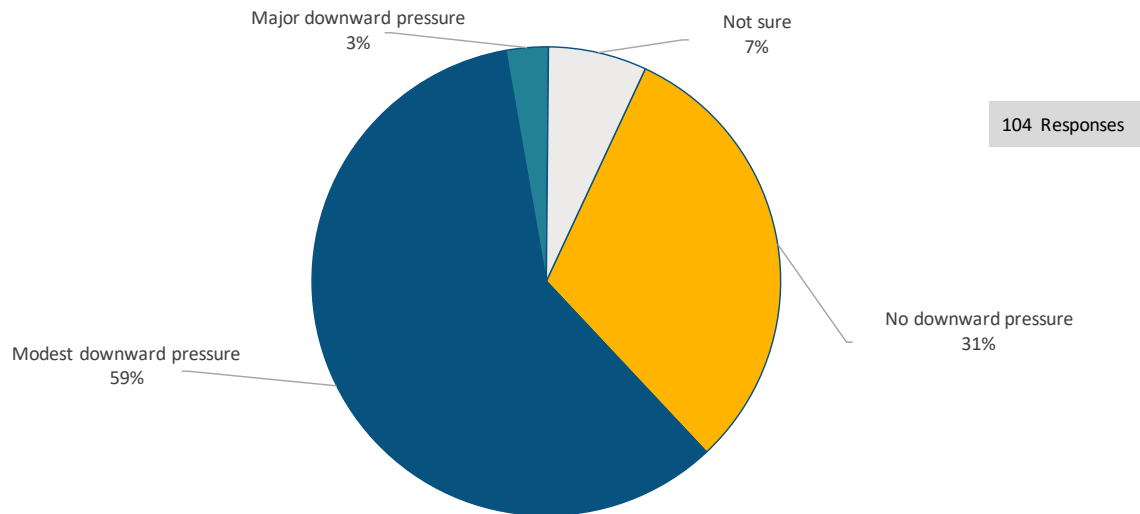
Answer choice:	#	Percent	% w/opinion	Expected Home Value Change*			Risk Assessment	
				Through 2028 (Cumulative)	Annual Average		Current Survey	Prior Survey
There is risk to the upside	45	39%	41%	22.8%	4.2%	UPSIDE	26%	41%
There is risk to the downside	30	26%	27%	14.9%	2.8%	DOWNSIDE	27%	36%
The risk is balanced	35	31%	32%	22.1%	4.1%	BALANCED	32%	38%
No Response	4	4%	n/a	33.4%	5.9%			
Total	114	100%	100%	20.8%	3.9%			

*Mean expectations of respondents by answer choice. 114 panelists participated in this quarter's survey.

Topic: Impact of Softening Multifamily Rents on Single-Family Home Prices

Unlike in the single-family market--where the supply of homes for sale remains tight--multifamily housing vacancy rates have normalized to a pre-COVID level, apartment units in the construction pipeline are near a record level, and rent growth is subdued.

Which of the following choices best reflects your view regarding the degree of downward pressure, if any, that softening multifamily rents will exert on single family house prices?



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Topic: Factors Most Likely to Alter the Pace of Single-family Home Prices in 2024

Single-family home prices appreciated at a robust rate last year—for example, the Fannie Mae Home Price Index recorded a 7.1% nationwide appreciation rate for 2023. Now, consider each of the two following scenarios:

Scenario 1:

Single-family home prices appreciate at a faster rate in 2024 than they did in 2023.

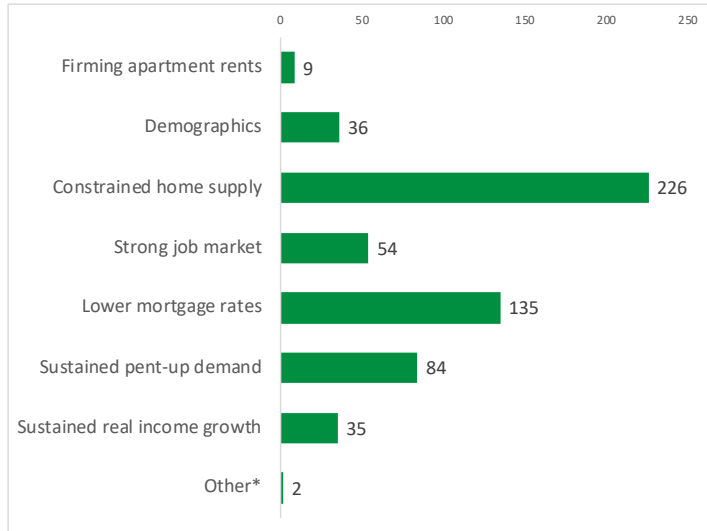
Scenario 2:

Single-family home prices appreciate at a slower rate in 2024 than they did in 2023.

Select three price drivers that you believe are most supportive of each scenario, and rank them in order of impact you would expect them to have.

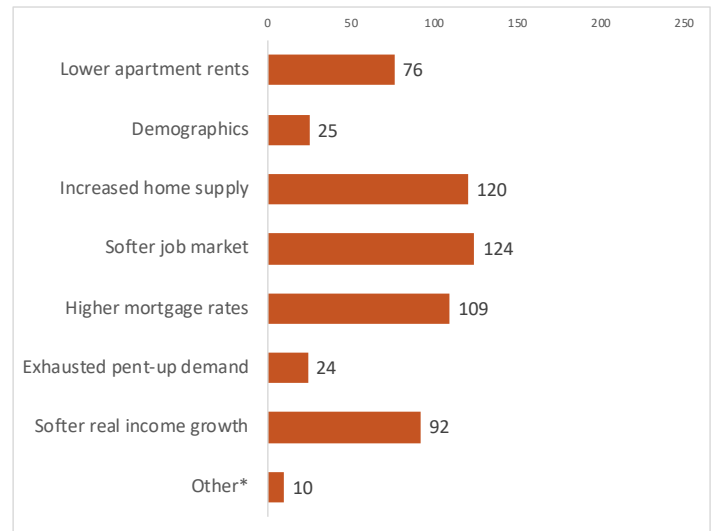
Price Driver	Selection Frequency		Ranking Counts			Score	Price Driver	Selection Frequency		Ranking Counts			Score
	n	%	#1	#2	#3			n	%	#1	#2	#3	
Firming apartment rents	7	2%	0	2	5	9	Lower apartment rents	39	13%	14	9	16	76
Demographics	20	7%	6	4	10	36	Demographics	15	5%	4	2	9	25
Constrained home supply	85	29%	62	17	6	226	Increased home supply	53	18%	25	17	11	120
Strong job market	33	11%	2	17	14	54	Softer job market	58	20%	21	24	13	124
Lower mortgage rates	66	23%	22	25	19	135	Higher mortgage rates	48	17%	25	11	12	109
Sustained pent-up demand	52	18%	3	26	23	84	Exhausted pent-up demand	17	6%	0	7	10	24
Sustained real income growth	25	9%	2	6	17	35	Softer real income growth	54	19%	6	26	22	92
Other*	2	1%	0	0	2	2	Other*	5	2%	2	1	2	10
	<u>290</u>	<u>100%</u>	<u>97</u>	<u>97</u>	<u>96</u>			<u>289</u>	<u>100%</u>	<u>97</u>	<u>97</u>	<u>95</u>	

The numeric scores displayed below were calculated by applying a weight to the three price drivers selected by every respondent, i.e., #1-ranked drivers were weighted by a factor of 3, #2-ranked drivers were weighted by a factor of 2, and #3-ranked drivers were weighted by a factor of 1.



*Other price drivers submitted by respondents:

- Stock market
- Steady demand rather than pent-up; we are not building enough homes for population growth



*Other price drivers submitted by respondents:

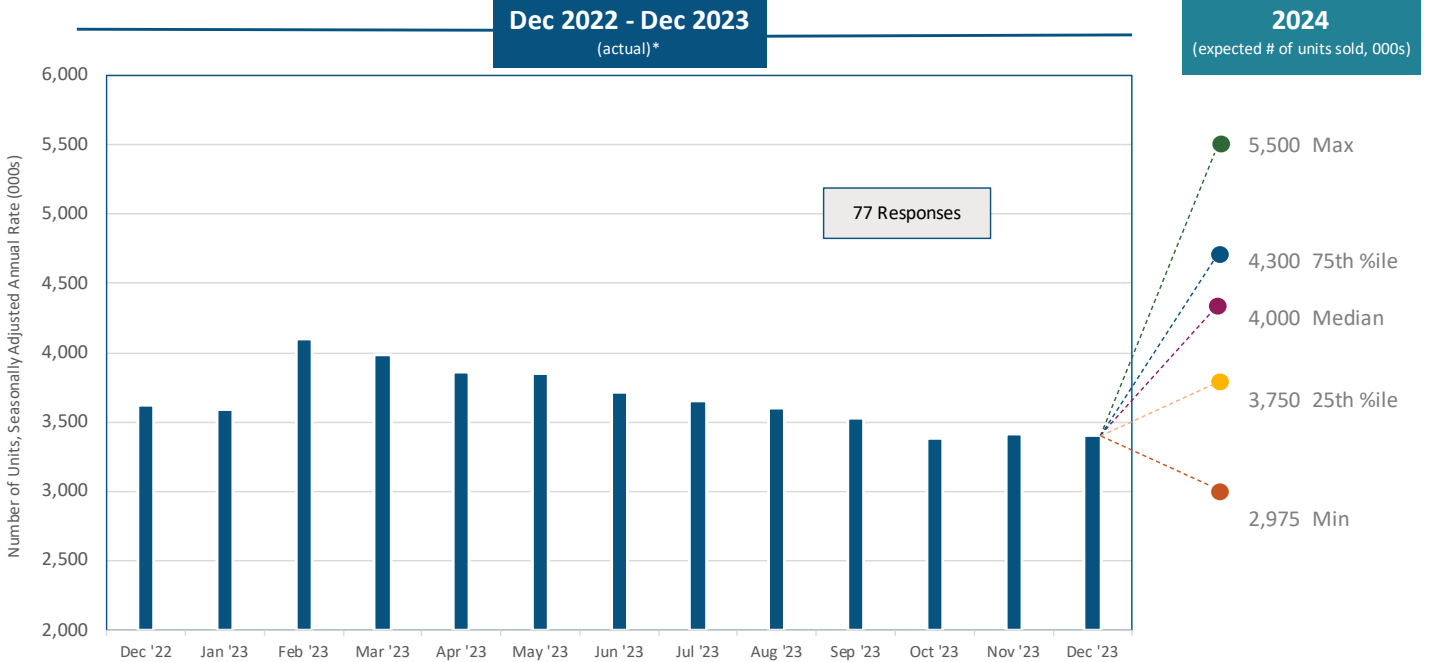
- More build to rent homes
- Lower mortgage rates.
- Home prices far too high compared to income.
- Change in inflationary expectations
- Student loans & higher credit card debt will impact disposable income available for housing choices

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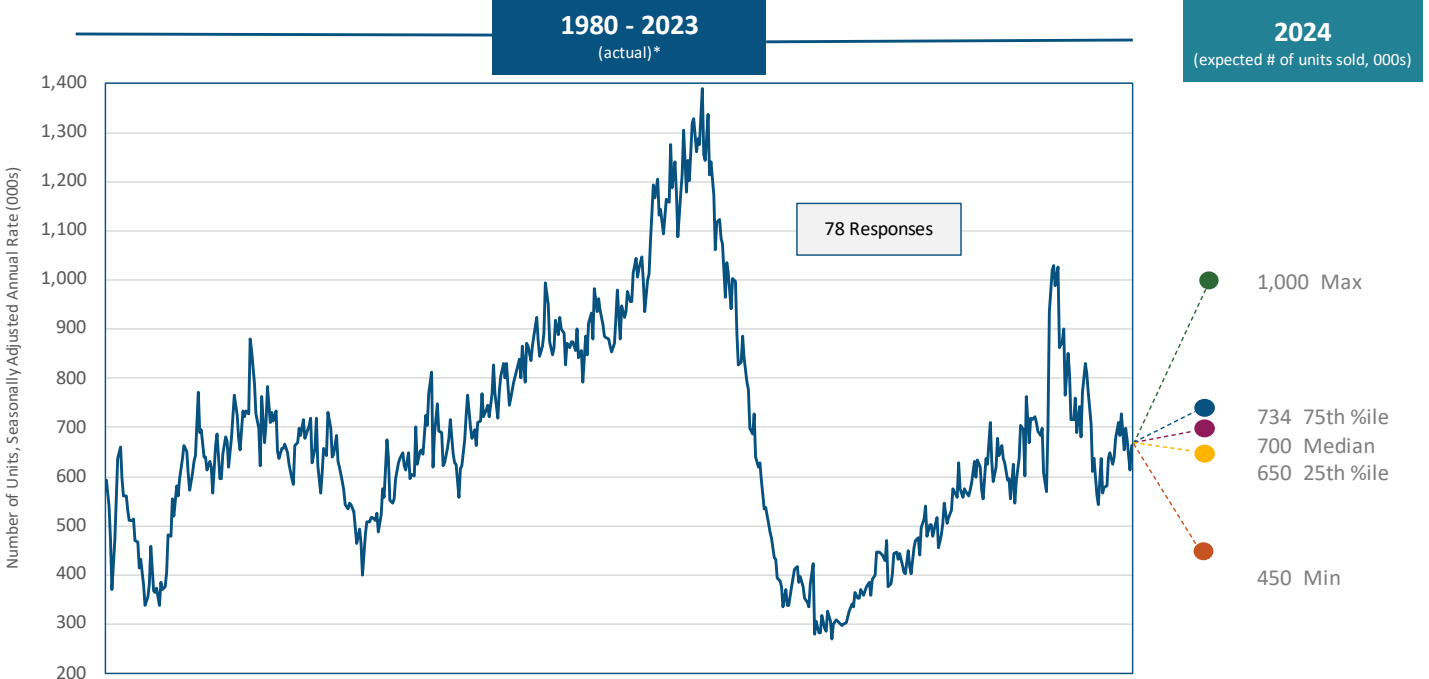
Topic: Outlook for 2024 Home Sales and 30-year Fixed Mortgage Rate

Existing Single Family Home Sales



*Source: National Association of Realtors, Existing Home Sales, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/EXHOSLUSM4955>, February 8, 2024.

New Single Family Home Sales



*Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development, New One Family Houses Sold: United States [HSN1F], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/HSN1F>, February 8, 2024.

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30 Year Fixed Mortgage Rate



*Source: Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>, February 8, 2024.